Government of Saskatchewan

Annual Report 1990

Saskatchewan Workmen's Compensation Board Superannuation Fund

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The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to transmit herewith the Annual Report of the Workmen's Compensation Board Superannuation Fund for the year ending December 31, 1990.

I have the honour to be, Madam

Your Obedient Servant

Honourable J. C. Klein
Minister in Charge
Workers' Compensation Board

To The Honourable Jack C. Klein
Minister Responsible for the
Workers' Compensation Board
Regina, Saskatchewan

Dear Mr. Klein:

I have the honour to submit the Annual Report of the Workmen's Compensation Board Superannuation Fund for the period January 1, 1990 to December 31, 1990, in accordance with Section 55, R.S.S. 1978 of The Workmen's Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

Mr. J. Walter Erb, superannuate, passed away January 1, 1990 at age 80. Mr. Erb was receiving an annual allowance of $4,837.20. Mrs. Edna Erb was granted a spousal allowance of $2,902.32 annually effective February 1, 1990.

Mr. Earle W. Stevenson, superannuate, passed away July 3, 1990 at age 75. Mr. Stevenson was receiving an annual allowance of $14,618.40. Mrs. Emma M. Stevenson was granted a spousal allowance of $8,771.04 annually effective August 1, 1990.

The report of the Fund's auditor and exhibits showing the investment transactions of the Fund are appended.

Yours truly,

Garnet Garven

Garnet Garven
Chairman

The Workmen's Compensation Board Superannuation Fund

Financial Statements

Year Ended December 31, 1990

Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan, Regina, Saskatchewan

We have audited the statement of net assets available for benefits of the Workmen's Compensation Board Superannuation Fund as at December 31, 1990 and statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits as at December 31, 1990 and the changes in net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

Chartered Accountants

Regina, Canada
April 25, 1991

Workmen's Compensation Board Superannuation Fund

Statement of Net Assets Available for Benefits

December 31, 1990 with comparative figures for 1989

	1990	1989 (restated)
Assets		
Investments:		
Short-term investments	**$ 2,192,873**	$ 211,167
Bonds and debentures	**5,927,556**	7,545,412
Equities	**4,676,407**	5,328,221
Mortgages	**473,735**	497,460
	$13,270,571	$13,582,260
Receivables:		
Employees' contributions	**7,014**	20,610
Accrued investment income	**181,470**	202,266
Other	**1,568**	11,628
	190,052	234,504
Cash	**30,821**	71,131
Total assets	**$13,491,444**	$13,887,895
Liabilities		
Administrative expenses payable	**$ 5,245**	$ 18,131
Superannuation allowances payable	**7,453**	—
Other payables	**23,792**	1,084
Total liabilities	**36,490**	19,215
Net assets available for benefits	**$13,454,954**	$13,868,680

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Board Member

Board Member

Workmen's Compensation Board Superannuation Fund

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 1990 with comparative figures for 1989

	1990	1989 (restated)
Increase in Assets		
Investment Income		
Interest	**$ 868,499**	$ 850,391
Dividends	**240,759**	227,264
Mortgages	**56,576**	57,635
Other	**6,737**	5,714
	1,172,571	1,141,004
Gain on sale of investments (Net)	**—**	437,039
Market value adjustments (note 3)	**(1,267,178)**	263,353
Contributions		
Employees	**186,021**	178,586
Employer's (note 4)	**—**	152,157
	186,021	330,743
Total increase in assets	**91,414**	2,172,139
Decrease in Assets		
Administration expenses	**56,239**	64,447
Refunds and Transfers		
Contributions	**31,975**	—
Interest	**18,821**	—
Superannuation allowances	**398,105**	398,478
Total decrease in assets	**505,140**	462,925
Increase (decrease) in Net Assets	**(413,726)**	1,709,214
Net assets available for benefits, beginning of year:		
As previously reported	**13,134,740**	11,688,879
Adjustment to reflect change in accounting for investments (note 3)	**733,940**	470,587
As restated	**13,868,680**	12,159,466
Net assets available for benefits, end of year	**$13,454,954**	$13,868,680

See accompanying notes to financial statements.

Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

December 31, 1990

1. Description of the plan:

(a) General:

The Workmen's Compensation Board Superannuation Fund was established under The Workmen's Compensation Board Superannuation Act. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1, 1978.

The provisions of The Workmen's Compensation Board Superannuation Act and The Superannuation (Supplementary Provisions) Act apply.

(b) Administration:

The Workmen's Compensation Superannuation Board administers the Fund. Day-to-day administration is provided by the Public Employees Benefits Agency. The Investment Corporation of Saskatchewan is responsible for the investment management of the assets owned by the Fund.

(c) Superannuation Fund:

The Workmen's Compensation Board Superannuation Fund was established to accumulate contributions paid by employees and the employer, as well as any investment income.

Pensions and refunds of contributions together with interest are paid out of the Fund.

(d) Funding Policy:

Members contribute at the rate of 7%, 8%, or 9% of salary depending on their age at the date of the commencement with the Plan.

The contributions required to be paid by the employer are calculated by applying a predetermined rate to the members contributions.

The determination of the value of the pension benefits is made on the basis of a triennial actuarial valuation.

(e) Retirement:

Normal retirement is at age 65. Members may retire earlier under the following conditions:

- at any age after 35 years of service,
- at age 60 with at least 20 years of service,
- at age 60 with between 15 years and 20 years of service with a reduced pension,
- at age 55 with at least 30 years of service with a reduced pension.

(f) Pension:

The annual pension payable to a member is 2% of the average salary received by the member during the five years of highest salary, multiplied by the total number of years of service. The maximum number of years of service is 35 years.

At age 65, the member's pension is reduced, due to integration with the Canada Pension Plan, by an amount equal to 0.7% of the member's average salary up to the maximum pensionable earnings prescribed by the Canada Pension Plan in the year the member retired, multiplied by the number of years of service of the member since January 1, 1966.

2. Significant accounting policies:

Investments

(i) Investments in bond and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices.

(ii) Short term investments are recorded at cost which approximates market.

3. Change in accounting policy:

The Fund has changed its method of valuing investments. Investments, formerly carried at cost, are now recorded at market values. This change has been applied retroactively, and the December 31, 1989 investment balance has been increased by $733,940, the net assets available for benefits balance has been increased by $470,587 and market value adjustments for the year ended December 31, 1989 has been increased by $263,353.

Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

December 31, 1990

4. **Employer contributions:**
   Member contributions are based on a percentage of salary. The Workers' Compensation Board declared a holiday on employer contributions as the Fund has an actuarial surplus (see Note 5).

5. **Surplus:**
   According to an independent actuarial review done as at December 31, 1990 the value of the pension plan assets at December 31, 1990 is $13,275,940 (1989 - $12,599,609) and the estimated actuarial present value of accrued pension benefits attributed to services rendered to December 31, 1990 is $11,541,434 (1989 - $10,740,781). The Workers' Compensation Board is obligated to fund any deficiency in order to meet the Fund's retirement benefits and refund requirements.

   The actuary values these pension plan assets at market-related values whereby capital appreciation and depreciation, both realized and unrealized, is recognized over a period of four years. Experience gains and losses are amortized using the straight-line method over the expected average remaining service life of the plan participants.

6. **Comparative figures:**
   Certain of the comparative figures have been restated to conform with the current year's presentation.

Workmen's Compensation Board Superannuation Fund

Exhibit 1 Statement of Investments
December 31, 1990

Security	Par Value	Market Value
Government of Canada	$1,100,000	$1,128,700
Province of Saskatchewan	1,250,000	1,168,062
Saskatchewan Power Corporation	21,000	28,140
British Columbia Hydro	400,000	374,000
Airport Development Corporation	500,000	560,000
Alberta Energy Corporation	100,000	81,000
Cambridge Shopping Centre	100,000	88,000
Canadian Oil Debco	250,000	235,625
Consumers' Gas Co. Ltd.	500,000	474,063
Domtar Inc.	250,000	193,125
Loblaws Companies Euro	100,000	97,500
Marathon Realty Co. Ltd.	250,000	249,375
Mark Resources Inc.	70,000	65,800
Pacific Western Airlines	100,000	59,000
Producers Pipelines	387,963	406,391
Royal Trust GTIC	500,000	494,375
Toronto Dominion Mtge. Corp.	220,000	224,400
Air Canada Inc.		22,950
Alcan Aluminum Ltd.		130,500
American Barrick Resources Corp.		137,025
Bank of Montreal		145,625
Bank of Nova Scotia		74,250
BC Gas Inc.		30,975
BC Telephone Co.		38,500
BCE Incorporated		94,800
BMO NT Financial Corp.		21,600
BNT Limited		75,962
Brascan Limited		42,188
CAE Industries Limited		12,420
Canadian Imperial Bank of Commerce		125,137
Canadian Pacific Limited		136,275
Canadian Tire Corporation Ltd.		88,150
Canfor Corporation		38,475
CM NT Equity Corp.		40,425
Cominco Limited		89,250
Domtar Incorporated		20,475
Enerplus Resources Corporation "G"		595,944
Hees International Bancorp		43,225
Hemlo Gold Mines Inc.		38,250
Imasco Limited		77,350
Imperial Oil Limited		117,250
Inco Limited		114,562
Innopac Inc.		4,050
Interhome Energy Corporation		38,200
Investment Corporation of Saskatchewan "A"		100
Investment Corporation of Saskatchewan "B"		3,346
Ipsco Inc.		62,050
John Labatt Limited		71,400
Laidlaw Inc. "B"		70,538
MacLean Hunter Limited		78,925
MacMillan Bloedel Limited		92,125
MDS Health Group Limited		28,025
Molson Companies		78,600
Moore Corporation		77,250
Noranda Inc.		68,675
Norcen Energy Resources		64,050
Northern Telecom Limited		136,500
Nova Corporation of Alberta		103,500
Oshawa Group Limited		52,912
Placer Dome Inc.		134,300

Workmen's Compensation Board Superannuation Fund

Exhibit 1 Statement of Investments — continued
December 31, 1990

Security	Par Value	Market Value
Potash Corporation of Saskatchewan		$ 23,813
Power Corporation of Canada		54,400
Power Financial Corporation		76,650
Royal Bank of Canada		166,500
RY NT Financial Corp.		76,000
Scotts Hospitality Inc.		39,487
Seagram Company Limited		132,600
Sears Canada Incorporated		23,000
Shell Canada Limited		59,200
SNT Limited		5,035
Southam Incorporated		31,875
Teck Corporation		112,725
Thomson Corporation		147,900
TNT Financial Corporation		12,675
Toronto-Dominion Bank		116,375
Transalta Utilities Corporation		22,563
Transcanada Pipelines		59,500
NHA Guaranteed Mortgages		473,735
	$6,098,963	$11,077,698

Summary	Par Value	Market Value
Government of Canada	$1,100,000	$ 1,128,700
Provincials and Guarantees	1,650,000	1,542,062
Convertible Debentures	391,000	321,940
Corporate Securities	2,957,963	2,934,854
	$6,098,963	$ 5,927,556
Canadian Equities		4,676,407
	$6,098,963	$10,603,963
Mortgages		473,735
Total Long Term Investments	$6,098,963	$11,077,698
Short Term Investments	2,245,000	2,192,873
	$8,343,963	$13,270,571

Workmen's Compensation Board Superannuation Fund

Exhibit 2 Statement of Investment Dispositions
Year Ended December 31, 1990

Interest Rate %	Security	Maturity Date	Proceeds
7.25	Alberta Energy Corp.	Sept. 30, 2003	$ 125,925
9.875	Hudson Bay Properties Ltd.	June 15, 1997	90,350
13.25	Norcen Energy Resources Ltd.	Dec. 20, 2003	224,643
7.875	Pacific Western Airlines Ltd.	Dec. 30, 1996	155,900
10.75	Potash Corp. of Saskatchewan	Dec. 1, 1992	3,453
12.00	Producers Pipelines Ltd.	June 30, 1995	20,371
14.75	Simpson Sears Accept Corp.	April 1, 1996	546,100
12.75	Simpson Sears Accept Corp.	June 15, 2000	201,000
13.15	Toronto Dominion Centre	Sept. 15, 2003	231,420
12.25	Westcoast Energy Inc.	July 15, 2000	216,653
—	NHA Mortgages	—	11,579
—	Bank of Montreal	Canadian Equity	42,960
—	Bank of Nova Scotia	Canadian Equity	46,701
—	BCE Incorporated	Canadian Equity	31,580
—	Canadian Imperial Bank of Commerce	Canadian Equity	41,400
—	Enerplus Resources Corp. "B"	Canadian Equity	168,750
—	Enerplus Resources Corp. "C"	Canadian Equity	337,500
—	Enerplus Resources Corp. "D"	Canadian Equity	240,625
—	Imperial Oil Limited	Canadian Equity	34,410
—	Laidlaw Incorporated	Canadian Equity	6,988
—	Moore Corp. Limited	Canadian Equity	30,690
—	Royal Bank of Canada	Canadian Equity	70,050
—	Seagram Company Limited	Canadian Equity	40,440
—	Thompson Corporation	Canadian Equity	73
—	Toronto Dominion Bank	Canadian Equity	28,760
—	Schering Plough Corp.	Foreign Equity	9
			$2,948,330

Workmen's Compensation Board Superannuation Fund

Exhibit 3 Statement of Investment Purchases
Year Ended December 31, 1990

Interest Rate %	Security	Maturity Date	Par Value	Cost
11.25	Government of Canada	June 1, 2015	$350,000	$ 350,375
12.20	Toronto Dominion Mtge. Corp.	March 27, 1995	220,000	219,010
—	American Barrick Res. Corp.	Canadian Equity	—	116,795
—	Bank of Montreal	Canadian Equity	—	25,594
—	BCE Incorporated	Canadian Equity	—	101,584
—	BNT Limited	Canadian Equity	—	6,020
—	Can. Imperial Bank of Comm.	Canadian Equity	—	44,512
—	Enerplus Resources Corp. "G"	Canadian Equity	—	785,226
—	MDS Health Group Limited	Canadian Equity	—	26,125
—	Molson Companies	Canadian Equity	—	89,016
—	Potash Corp. of Saskatchewan	Canadian Equity	—	20,438
—	Power Financial Corp.	Canadian Equity	—	31,590
—	Seagram Company Limited	Canadian Equity	—	9,173
—	SNT Limited	Canadian Equity	—	6,161
—	Southam Incorporated	Canadian Equity	—	55,888
—	TNT Financial Corporation	Canadian Equity	—	16,430
—	Toronto Dominion Bank	Canadian Equity	—	18,176
			$570,000	$1,922,113